

CONFORMED

1 Gail E. Cohen (093210),
2 gcohen@barwol.com
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5 BARGER & WOLEN LLP
6 633 West Fifth Street, 47th Floor
7 Los Angeles, California 90071
8 Telephone: (213) 680-2800
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10
11 Attorneys for Defendant
12 Primerica Life Insurance Company

ORIGINAL
FILED

APR 29 2008

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

E-filing

8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10
11 HERMY A. FUENTES and VIRGINIA
12 FUENTES,
13 Plaintiffs,
14 vs.
15 PRIMERICA LIFE INSURANCE
16 COMPANY and DOES 1 through 20,
17 Defendants.
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CASE NO.

108-02210 MMC

**CERTIFICATE OF SERVICE OF
NOTICE TO ADVERSE PARTY OF
REMOVAL OF ACTION TO
FEDERAL COURT**

Complaint Filed: March 24, 2008

1 I, Susan Lincoln, certify and declare:

2

3 1. I am over the age of 18 years and am not a party to this action. My
4 business address is Barger & Wolen LLP, 633 West Fifth Street, 47th Floor, Los
5 Angeles, California 90071-2043, which is located in the city, county and state where
6 the mailing described below took place.

7

8 2. On April 29, 2008, I mailed (via First Class United States Mail) a copy
9 of the Notice to Adverse Party of Removal of Action to Federal Court dated April
10 29, 2008 (a copy of which is attached to this certificate as Exhibit A), to counsel for
11 Plaintiffs.

12

13 I declare under penalty of perjury under the laws of the United States and
14 certify that the foregoing is true and correct. Executed this 29 day of April, 2008, at
15 Los Angeles, California.

16

17 
18 SUSAN LINCOLN

EXHIBIT A

1 Gail E. Cohen (093210), gcohen@barwol.com
2 Sarah Houshiar (235084), shoushiar@barwol.com
3 BARGER & WOLEN LLP
4 633 West Fifth Street, 47th Floor
5 Los Angeles, California 90071
6 Telephone: (213) 680-2800
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Attorneys for Defendant
Primerica Life Insurance Company

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

10
11 HERMY A. FUENTES and VIRGINIA
12 FUENTES,) CASE NO.: HG08378091
13 Plaintiffs,)
14 vs.)
15 PRIMERICA LIFE INSURANCE)
16 COMPANY and DOES 1 through 20,) Complaint Filed: March 24, 2008
Defendants.)

)

EXHIBIT A

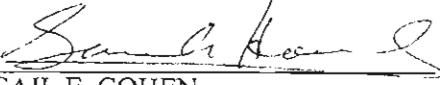
1 TO THE PLAINTIFFS AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE that Defendant Primerica Life Insurance Company seeks removal
3 of civil action, Case No. HG08378091, from the Superior Court of the State of California for the
4 County of Alameda to the United States District Court for the Northern District of California. A
5 copy of the Notice of Removal filed with the United States District Court for the Northern District
6 of California on April ___, 2008 is attached hereto as Exhibit "A".

7

8 Dated: April 22, 2008

BARGER & WOLEN LLP

9
10 By: 

11 GAIL E. COHEN
12 SARAH HOUSHIAR
13 Attorneys for Defendant Primerica Life
14 Insurance Company

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EXHIBIT "A"

1 Gail E. Cohen (093210),
2 gcohen@barwol.com
3 Sarah Houshiar (235084),
4 shoushiar@barwol.com
5 BARGER & WOLEN LLP
6 633 West Fifth Street, 47th Floor
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8 Telephone: (213) 680-2800
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10
11 Attorneys for Defendant
12 Primerica Life Insurance Company
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15 UNITED STATES DISTRICT COURT
16 NORTHERN DISTRICT OF CALIFORNIA

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11 HERMY A. FUENTES and VIRGINIA FUENTES,
12 Plaintiffs,
13 vs.
14 PRIMERICA LIFE INSURANCE COMPANY and DOES 1 through 20,
15 Defendants.

16 } CASE NO.
17 } DEFENDANT PRIMERICA LIFE INSURANCE COMPANY'S NOTICE OF REMOVAL PURSUANT TO 28 U.S.C. §§ 1332, 1441 and 1446;
18 } DECLARATIONS OF MAUREEN M. MIDDLETON AND SARAH HOUSHIAR IN SUPPORT
19 } [Diversity Jurisdiction]
20 } Complaint Filed: March 24, 2008

1 TO THE UNITED STATES DISTRICT COURT FOR THE NORTHERN
 2 DISTRICT OF CALIFORNIA:

3
 4 PLEASE TAKE NOTICE that pursuant to 28 U.S.C. sections 1332, 1441, and
 5 1446, Defendant Primerica Life Insurance Company (“Primerica”) hereby seeks
 6 removal of civil action, Case No. HG08378091, from the Superior Court of the State
 7 of California for the County of Alameda to the United States District Court for the
 8 Northern District of California. Removal of this action is proper for the following
 9 reasons:

10
 11 PARTIES

12 1. Primerica is the only non-fictitiously named defendant in the civil action
 13 filed on or about March 24, 2008, in the Superior Court of the State of California for
 14 the County of Alameda, entitled “*HERMY A. FUENTES and VIRGINIA FUENTES,*
 15 *Plaintiffs, vs. PRIMERICA LIFE INSURANCE COMPANY and DOES 1 through 20,*
 16 *Defendants,*” Case Number HG08378091. All other remaining defendants named in
 17 this action are fictitiously named and need not be considered for purposes of removal.
 18 28 U.S.C. § 1441(a). *See also Salveson v. Western Bankcard Assn.*, 731 F.2d 1423,
 19 1429 (9th Cir. 1984) (finding non-served defendants need not be joined by the
 20 removing defendant). A true and correct copy of the Complaint and accompanying
 21 Summons is attached to the Declaration of Sarah Houshiar (“Houshiar Decl.”), along
 22 with the entire process and pleadings filed in state court, as Exhibit “A”.

23
 24 TIMELINESS

25 2. Primerica was served by mail with acknowledgement of receipt with the
 26 Summons and Complaint in this matter by Plaintiffs Hermy A. Fuentes and Virginia
 27 Fuentes (“Plaintiffs”), on March 31, 2008. Primerica had not previously received a
 28 copy of said Summons and Complaint.

2 3. This removal is timely under 28 U.S.C. section 1446(b), in that removal
3 is sought within thirty (30) days after service of the Summons and Complaint, which
4 was the initial receipt by Primerica of a copy of the initial pleading in this action.

DIVERSITY JURISDICTION

7 4. This is a civil action for which this Court has jurisdiction under the
8 provisions of 28 U.S.C. section 1332, and is one that may be removed to this Court
9 by Primerica pursuant to the provisions of 28 U.S.C. section 1441(b), in that it is a
10 civil action between citizens of different states and the matter in controversy exceeds
11 the sum of \$75,000.00, exclusive of interest and costs, as set forth more fully below.

A. Citizenship

14 5. At the time this action was commenced in state court, Primerica is
15 informed and believes that Plaintiff Hermy A. Fuentes was and is an individual
16 residing in San Francisco, in the State of California, and domiciled therein. Primerica
17 is further informed and believes that Plaintiff Virginia Fuentes was and is an
18 individual residing in San Francisco, in the State of California, and domiciled therein.
19 *Houshiar Decl.* ¶ 3, Exhibit “B”. On information and belief, Plaintiffs’ citizenship as
20 residents of California has not changed since the filing of the Complaint.

22 6. Primerica is, and at all relevant times was, a corporation organized and
23 existing under the laws of the Commonwealth of Massachusetts, having its principal
24 place of business in Duluth, Georgia. *See Houshiar Decl.* ¶ 4; excerpt from
25 California Secretary of State's worldwide website¹ attached to the Houshiar Decl. as
26 Exhibit "C"; Best's Insurance Report attached to the Houshiar Decl. as Exhibit "D".

¹ <http://kepler.ss.ca.gov/corpdata>ShowAllList?QueryCorpNumber=C0155630>

1 A corporation has only one principal place of business. *See* 28 U.S.C. section
 2 1332(c)(1); *see also United Computer Systems, Inc. v. AT&T Corp.*, 298 F.3d 756,
 3 763 (9th Cir. 2002).

4

5 7. More than 99% of Primerica's assets, worth in excess of \$61 million,
 6 and 99.7% of its tangible assets are located in Georgia. Declaration of Maureen M.
 7 Middleton ("Middleton Decl."), ¶ 2. In addition, 94% of Primerica's employees are
 8 located at Primerica's headquarters in Georgia, including its entire administrative,
 9 underwriting and claims department staffs. *Id.*

10

11 8. Based on Paragraphs 5 - 7 above, there is complete diversity of
 12 citizenship between Plaintiff and Primerica.

13

14 B. **Amount in Controversy**

15 9. On the face of the Complaint the amount in controversy is in excess of
 16 \$75,000.00. The Complaint alleges one cause of action for (1) Breach of Contract.
 17 *See* Complaint ¶¶ V - IX.

18

19 10. One need only look at the amount of compensatory damages allegedly
 20 due to satisfy the amount in controversy requirements for federal jurisdiction. More
 21 specifically, Plaintiffs allege that Primerica failed and refused to pay death benefits to
 22 Plaintiffs in the amount of \$150,000. *See* Complaint ¶ VIII.

23

24 **PROCESS**

25 11. As set forth above, Exhibit "A" attached to the Houshiar Decl. ¶ 2,
 26 constitutes the entire process and pleadings filed in the state court action.

27

28 12. This Notice of Removal is being filed without prejudice to the objections

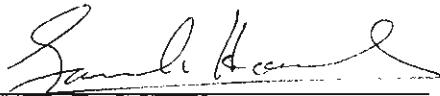
1 and defenses of Primerica.
2

3 13. Written notice of the filing of this Notice of Removal has been given to
4 all adverse parties and a copy has been filed with the Clerk of the Superior Court of
5 the State of California for the County of Alameda in accordance with the provisions
6 of 28 U.S.C. section 1446(d).
7

8 WHEREFORE, Primerica prays that the above action pending in the Superior
9 Court of the State of California for the County of Alameda, Case No. HG08378091,
10 be removed from that Court to this Court.
11

12 Dated: April 22, 2008

BARGER & WOLEN LLP

13
14 By: 

15 GAIL E. COHEN
16 SARAH HOUSHIAR
17 Attorneys for Defendant Primerica
18 Life Insurance Company
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DECLARATION OF MAUREEN M. MIDDLETON

I, Maureen M. Middleton, hereby declare as follows:

5 I am employed as a Vice-President and Assistant General Counsel of
6 Defendant Primerica Life Insurance Company ("Primerica"). In that capacity, I
7 directly participate in the handling of certain benefits claims made under life
8 insurance policies issued by Primerica, including litigation arising out of claims
9 disputes. I have personal knowledge of the facts set forth in this declaration, and if
10 called upon as a witness, could and would competently testify to those facts.

12 2. More than 99% of Primerica's assets, worth in excess of \$61 million,
13 and 99.7% of Primerica's tangible property, are located in Georgia. In addition, 94%
14 of Primerica's employees, including Primerica's entire administrative, claims
15 handling and underwriting departments are located at Primerica's headquarters in
16 Georgia.

18 I declare under penalty of perjury under the laws of the United States that the
19 foregoing is true and correct.

22 Executed this 18th day of April, 2008, at Duluth, Georgia

188
Theodore Middleton
MAUREEN M. MIDDLETON

BLAISER & WOLINSKY
630 W. FIFTH ST.
FORTY-SEVENTH FLOOR
LOS ANGELES, CA 90071
(213) 384-3325

- 6 -

DECLARATION OF SARAH HOUSHIAR

I, Sarah Houshiar, declare as follows:

1. I am an attorney licensed to practice in this Court and all the courts in the State of California and I am an associate with Barger & Wolen, LLP, counsel of record for Primerica Life Insurance Company (“Primerica”), defendant in this action. I am one of the attorneys with responsibility for the handling of this matter. I have personal knowledge of the matters set forth below, and if necessary could competently testify as to such matters.

2. Attached hereto as Exhibit "A" is the entire process and pleadings filed in Superior Court of the State of California for the County of Alameda, Case No. HG08378091.

3. Attached hereto as Exhibit "B" is a true and correct redacted copy of the "Claimant's Statement" for benefits Plaintiffs submitted to Primerica (dated April 11, 2006) that identifies Plaintiffs' residence address as being located in San Francisco, California.

4. Attached hereto as Exhibit "C" is a true and correct copy of an excerpt from the California Secretary of State's worldwide website² indicating that Primerica is incorporated in the Commonwealth of Massachusetts with its principal place of business located at 3120 Breckinridge Boulevard, Duluth, Georgia 30099. Attached hereto as Exhibit "D" is an excerpt from Best's Insurance Report, a guide published by A.M. Best, Inc., providing detailed profiles of insurance company operations and performance, confirming the same.

1
2 I declare under the laws of the State of California and the United States that the
3 foregoing is true and correct.
4

5 Executed this 22nd day of April, 2008, at Los Angeles, California.

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7 SARAH HOUSHIAR
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² <http://kepler.ss.ca.gov/corpdata>ShowAllList?QueryCorpNumber=C0155630>.

EXHIBIT A

SUMMONS
(CITACION JUDICIAL)

NOTICE TO DEFENDANT:

(AVISO AL DEMANDADO):

PRIMERICA LIFE INSURANCE COMPANY and DOES 1 through 20

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):
 HERMY A. FUENTES and VIRGINIA FUENTES

8349341
SOLO PARA USO DE LA Corte

FILED
ALAMEDA COUNTY

MAR 24 2008

CLERK OF THE SUPERIOR COURT
 By Cecilia Anchondo
 Deputy

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/seithelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/seithelp), or by contacting your local court or county bar association.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.courtinfo.ca.gov/seithelp/espanol), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.courtinfo.ca.gov/seithelp/espanol) o poniéndose en contacto con la corte o el colegio de abogados locales.

The name and address of the court is:

(El nombre y dirección de la corte es):

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA
24405 Amador Street, Hayward, CA 94544CASE NUMBER:
408 378 091

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Gordon J. Finwall (Bar # 141777)

Phone No.: (408) 350-4041

FINWALL LAW OFFICES

Fax No.: (408) 350-4042

1501 The Alameda, San Jose, CA 95126

Cecilia Anchondo

DATE MAR 24 2008

Clerk, by

Deputy

(Fecha)

PAT SWEETEN

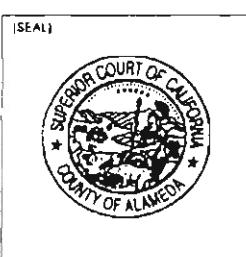
(Nombre)

(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010))

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

NOTICE TO THE PERSON SERVED: You are served



1. as an individual defendant
 2. as the person sued under the fictitious name of (specify):

3. on behalf of (specify):

under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other (specify):

4. by personal delivery on (date):

Page 1 of 1

Form Adopted for Mandatory Use
 Judicial Council of California
 SUM-100 (Rev January 1, 2004)

Code of Civil Procedure §§ 412.20, 465

SUMMONS

LexisNexis® Automated California Judicial Council Forms



1 Gordon J. Finwall, SB #141777
2 FINWALL LAW OFFICES
3 1501 The Alameda
4 San Jose, CA 95126
5 (408) 350-4041
6 FAX (408) 350-4042

7
8 Attorneys for Plaintiffs

FILED
ALAMEDA COUNTY

9 MAR 24 2008

10 CLERK OF THE SUPERIOR COURT
11 By Cecilia Anchondo
12 Deputy

13
14 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 IN AND FOR THE COUNTY OF ALAMEDA
16 (UNLIMITED JURISDICTION)

17
18
19 NO. HG 08378091
20 HERMY A. FUENTES and VIRGINIA FUENTES,)
21 Plaintiffs,) COMPLAINT FOR MONEY
22 vs.) (Breach of Life Insurance Contract)
23 PRIMERICA LIFE INSURANCE)
24 COMPANY and DOES 1 through 20,)
25 Defendants.)
26

27 Plaintiffs HERMY FUENTES and VIRGINIA FUENTES allege:

28 I

Defendant PRIMERICA LIFE INSURANCE COMPANY (hereinafter "PRIMERICA")
is a Massachusetts corporation authorized to do business in California by the California Secretary of
State and California Department of Insurance with offices in the City of San Leandro, County of
Alameda, State of California.

II

The true names and capacities, whether individual, corporate, associate or otherwise, of
defendants named herein as DOES 1 through 20, are unknown to Plaintiffs, who therefore sue these
defendants by such fictitious names, and Plaintiffs will amend this complaint to show their true names

1 and capacities when they have been ascertained. Plaintiffs are informed and believe and thereon allege
2 that each of the fictitiously named defendants is responsible in some manner for the occurrences herein
3 alleged, and that Plaintiffs' damages as herein alleged were proximately caused by such defendants.

4 III

5 Plaintiffs are informed and believe and thereon allege that at all times herein mentioned,
6 each of the defendants was the agent of each of the remaining defendants, and in doing the things
7 hereinafter alleged, was acting within the course and scope of such agency and with the permission and
8 consent of his/her/its codefendants.

9 IV

10 Plaintiffs are the parents of decedent Mercedes P. Fuentes (hereinafter "decedent"), who
11 died on March 29, 2006.

12 V

13 On or about January 7, 2005, PRIMERICA, in consideration of the payment to it of
14 specified premiums, issued a policy of term life insurance to decedent, specifically policy number
15 0433333419, whereby decedent's life was insured in the face amount of \$150,000.00. Said life
16 insurance policy bears a policy date of January 15, 2005 and an expiry date of January 15, 2051.
17 Plaintiffs, and both of them, are the sole beneficiaries named in the life insurance policy.

18 VI

19 On the date of decedent's death the life insurance policy was in full force and effect.
20 Decedent died in South San Francisco, County of San Mateo, State of California.

21 VII

22 Plaintiffs and decedent performed all the conditions of the life insurance policy on their
23 part to be performed, and, in accordance with the terms of the policy, Plaintiffs gave PRIMERICA due
24 and timely notice and proof of death.

25 VIII

26 Plaintiffs have demanded of PRIMERICA payment of \$150,000.00, the amount in which
27 decedent's life was insured as hereinabove alleged, but PRIMERICA failed and refused, and continues
28 to fail and refuse, to pay the whole or any part of that amount.

IX

As a proximate result of PRIMERICA's failure and refusal as herein alleged, Plaintiffs have been damaged in the sum of \$150,000.00, together with interest thereon at the legal rate in a sum according to proof.

WHEREFORE, Plaintiffs pray judgment against PRIMERICA and DOES 1 through 20, and each of them, as follows:

7 1. For the sum of \$150,000.00 with legal interest thereon in a sum according to
8 proof:
9 2. For costs of suit herein incurred; and
10 3. For such other and further relief as the court may deem proper.

11 | DATED: March 19, 2008

FINWALL LAW OFFICES

By GORDON J. FINWALL, Attorneys
for Plaintiffs

| | | | |
|--|--|---|--|
| ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number and address) Gordon J. Finwall (State Bar # 141777) FINWALL LAW OFFICES 1501 The Alameda, San Jose, CA 95126 TELEPHONE NO (408) 350-4041 FAX NO (408) 350-4042 ATTORNEY FOR (Name). Plaintiffs | | -010 8349345* FILED ALAMEDA COUNTY MAR 24 2008 CLERK OF THE SUPERIOR COURT By <i>Luisa Lachhudo</i> Deputy | |
| SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA STREET ADDRESS 24405 Almaden Street MAILING ADDRESS CITY AND ZIP CODE Hayward, CA 94544 BRANCH NAME | | | |
| CASE NAME HERMY A. FUENTES v. PRIMERICA LIFE INSURANCE | | | |
| CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited <input type="checkbox"/> Limited (Amount demanded exceeds \$25,000) <input type="checkbox"/> (Amount demanded is \$25,000 or less) | | Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402) | CASE NUMBER 808378091 JUDGE DEPT |

Items 1-6 below must be completed (see instructions on page 2).

| | | |
|--|---|---|
| 1 Check one box below for the case type that best describes this case: | Contract <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) | Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) |
| | Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) | <input type="checkbox"/> Other contract (37) |
| | Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) | Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) |
| | Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15) | Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) |
| | | Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39) |
| | | Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) |
| | | Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) |
| | | Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43) |

2 This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. Large number of separately represented parties d. Large number of witnesses
 b. Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
 c. Substantial amount of documentary evidence f. Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply) a monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify) ONE (1)

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: March 19, 2008

Gordon J. Finwall

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

CM-010

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary cause of action**. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

| | | |
|---|---|---|
| Auto Tort | Contract | Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400-3.403) |
| Auto (22)–Personal Injury/Property Damage/Wrongful Death | Breach of Contract/Warranty (06) | Antitrust/Trade Regulation (03) |
| Uninsured Motorist (46) (<i>If the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto</i>) | Breach of Rental/Lease | Construction Defect (10) |
| Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) | Contract (<i>not unlawful detainer or wrongful eviction</i>) | Claims Involving Mass Tort (40) |
| Tort | Contract/Warranty Breach–Seller | Securities Litigation (28) |
| Asbestos (04) | Plaintiff (<i>not fraud or negligence</i>) | Environmental/Toxic Tort (30) |
| Asbestos Property Damage | Negligent Breach of Contract/Warranty | Insurance Coverage Claims (<i>arising from provisionally complex case type listed above</i>) (41) |
| Asbestos Personal Injury/ Wrongful Death | Other Breach of Contract/Warranty | Enforcement of Judgment |
| Product Liability (<i>not asbestos or toxic/environmental</i>) (24) | Collections (e.g., money owed, open book accounts) (09) | Enforcement of Judgment (20) |
| Medical Malpractice (45) | Collection Case–Seller Plaintiff | Abstract of Judgment (Out of County) |
| Medical Malpractice– Physicians & Surgeons | Other Promissory Note/Collections Case | Confession of Judgment (<i>non-domestic relations</i>) |
| Other Professional Health Care Malpractice | Insurance Coverage (<i>not provisionally complex</i>) (18) | Sister State Judgment |
| Other PI/PD/WD (23) | Auto Subrogation | Administrative Agency Award (<i>not unpaid taxes</i>) |
| Premises Liability (e.g., slip and fall) | Other Coverage | Petition/Certification of Entry of Judgment on Unpaid Taxes |
| Intentional Bodily Injury/PD/WD (e.g., assault, vandalism) | Other Contract (37) | Other Enforcement of Judgment Case |
| Intentional Infliction of Emotional Distress | Contractual Fraud | Miscellaneous Civil Complaint |
| Negligent Infliction of Emotional Distress | Other Contract Dispute | RICO (27) |
| Other PI/PD/WD | Real Property | Other Complaint (<i>not specified above</i>) (42) |
| Non-PI/PD/WD (Other) Tort | Eminent Domain/Inverse Condemnation (14) | Declaratory Relief Only |
| Business Tort/Unfair Business Practice (07) | Wrongful Eviction (33) | Injunctive Relief Only (<i>non-harassment</i>) |
| Civil Rights (e.g., discrimination, false arrest) (<i>not civil harassment</i>) (08) | Other Real Property (e.g., quiet title) (28) | Mechanics Lien |
| Defamation (e.g., slander, libel) (13) | Writ of Possession of Real Property | Other Commercial Complaint Case (<i>non-tort/non-complex</i>) |
| Fraud (16) | Mortgage Foreclosure | Other Civil Complaint (<i>non-tort/non-complex</i>) |
| Intellectual Property (18) | Quiet Title | Miscellaneous Civil Petition |
| Professional Negligence (25) | Other Real Property (<i>not eminent domain, landlord/tenant, or foreclosure</i>) | Partnership and Corporate Governance (21) |
| Legal Malpractice | Unlawful Detainer | Other Petition (<i>not specified above</i>) (43) |
| Other Professional Malpractice (<i>not medical or legal</i>) | Commercial (31) | Civil Harassment |
| Other Non-PI/PD/WD Tort (35) | Residential (32) | Workplace Violence |
| Employment | Drugs (38) (<i>if the case involves illegal drugs, check this item, otherwise, report as Commercial or Residential</i>) | Elder/Dependent Adult Abuse |
| Wrongful Termination (36) | Judicial Review | Election Contest |
| Other Employment (15) | Asset Forfeiture (05) | Petition for Name Change |
| | Petition Re: Arbitration Award (11) | Petition for Relief From Late Claim |
| | Writ of Mandate (02) | Other Civil Petition |
| | Writ–Administrative Mandamus | |
| | Writ–Mandamus on Limited Court Case | |
| | Case Matter | |
| | Writ–Other Limited Court Case Review | |
| | Other Judicial Review (39) | |
| | Review of Health Officer Order | |
| | Notice of Appeal–Labor Commissioner Appeals | |

Finwall Law Offices
 Attn: Finwall, Gordon J.
 1501 The Alameda
 San Jose, CA 95126

Superior Court of California, County of Alameda

| | | |
|--------------------------|-------------------------|----------------------------------|
| Fuentes | Plaintiff/Petitioner(s) | No. <u>HG08378091</u> |
| VS. | | NOTICE OF CASE MANAGEMENT |
| Primerica Life Insurance | Defendant/Respondent(s) | CONFERENCE AND ORDER |
| (Abbreviated Title) | | Unlimited Jurisdiction |

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD.

Notice is given that a Case Management Conference has been scheduled as follows:

| | | |
|------------------|---|--|
| Date: 10/02/2008 | Department: 23 | Judge: Winifred Y. Smith |
| Time: 09:00 AM | Location: Administration Building | Clerk: Yvonne Bazzell |
| | Fourth Floor | Clerk telephone: (510) 267-6939 |
| | 1221 Oak Street, Oakland CA 94612 | E-mail: Dept.23@alameda.courts.ca.gov |
| | Internet: http://www.alameda.courts.ca.gov | Fax: 0 |

ORDERS

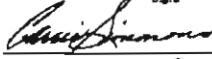
1. You must:
 - a. Serve all named defendants and file proofs of service on those defendants with the court within 60 days of the filing of the complaint (CRC 3.110(b));
 - b. Give notice of this conference to any party not included in this notice and file proof of service;
 - c. Meet and confer, in person or by telephone, to consider each of the issues identified in CRC 3.724 no later than 30 calendar days before the date set for the Case Management Conference;
 - d. File and serve a completed Case Management Conference Statement (use of Judicial Council Form CM 110 is mandatory) at least 15 days before the Case Management Conference (CRC 3.725)
2. If you do not follow the orders above, you are hereby ordered to show cause why you should not be sanctioned under CRC 2.30. The hearing on the Order to Show Cause re: Sanctions will be at the same time as the Case Management Conference. Sanctions may include monetary sanctions and any other sanction permitted by law, including striking pleadings or dismissing the action.
3. You are further ordered to appear in person* (or through your attorney of record) at the Case Management Conference noticed above. You must be thoroughly familiar with the case and fully authorized to proceed.
4. The Direct Calendar Judge will issue orders at the conclusion of the conference that should include:
 - a. Referring to ADR and setting an ADR completion date
 - b. Dismissing or severing claims or parties
 - c. Setting a trial date.

*Telephonic appearances at Case Management Conferences may be available by contacting CourtCall, an independent vendor, at least 3 business days prior to the scheduled conference. Parties may make arrangements by calling 1-888-882-6878, or faxing a service request to 1-888-882-2946. This service is subject to charges by the vendor.

CLERK'S CERTIFICATE OF MAILING

I certify that the following is true and correct: I am the clerk of the above-named court and not a party to this cause. I served this Notice of Hearing by placing copies in envelopes addressed as shown herein and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at Alameda County, California, following standard court practices.

Executed on 03/28/2008.

By 
 Deputy Clerk

Superior Court of California, County of Alameda



Notice of Judicial Assignment for All Purposes

Case Number: HG08378091
Case Title: Fuentes VS Primerica Life Insurance
Date of Filing: 03/24/2008

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

This case is hereby assigned for all purposes to:

Judge: Winifred Y. Smith
Department: 23
Address: Administration Building
1221 Oak Street
Oakland CA 94612
Phone Number: (510) 267-6939
Fax Number: 0
Email Address: Dept.23@alameda.courts.ca.gov

Under direct calendaring, this case is assigned to a single judge for all purposes including trial.

Please note: In this case, any challenge pursuant to Code of Civil Procedure §170.6 must be exercised within the time period provided by law. (See Govt. Code 68616(i); Motion Picture and Television Fund Hosp. v. Superior Court (2001) 88 Cal.App.4th 488, 494; and Code Civ. Proc. §1013.)

IT IS THE DUTY OF EACH PLAINTIFF AND CROSS COMPLAINANT TO SERVE A COPY OF THIS NOTICE IN ACCORDANCE WITH LOCAL RULES.

General Procedures

All pleadings and other documents must be filed in the clerk's office at any court location except when the Court permits the lodging of material directly in the assigned department. All documents, with the exception of the original summons and the original civil complaint, shall have clearly typed on the face page of each document, under the case number, the following:

ASSIGNED FOR ALL PURPOSES TO
JUDGE Winifred Y. Smith
DEPARTMENT 23

Counsel are expected to know and comply with the Local Rules of this Court, which are available on the Court's website at:
<http://www.alameda.courts.ca.gov/courts/rules/index.shtml> and with the California Rules of Court, which are available at www.courtinfo.ca.gov.

The parties are always encouraged to consider using various alternatives to litigation, including mediation and arbitration, prior to the Initial Case Management Conference. The Court may refer parties to alternative dispute resolution resources.

(1)Counsel are expected to be familiar and comply with the Statement of Professionalism of the ACBA, www.acbanet.org. (2) Appearances by attorneys who are not counsel of record are not permitted except for good cause. (3) Chambers copies of filings will not be accepted unless specifically requested by the Court. (4) Unrepresented litigants must also comply with the pertinent rules, cited above. (5) All references to "counsel" in this Order apply equally to self-represented litigants. The Court Maintains a Self-Help Center at the Wiley W. Manual Courthouse, 2nd Floor, 661 Washington St., Oakland. Telephone (510) 690-2501.

Schedule for Department 23

The following scheduling information is subject to change at any time, without notice. Please contact the department at the phone number or email address noted above if you have questions. The Court prefers that contacts with Department 23 be by e-mail with copies to all other counsel. Counsel must confer with opposing counsel before scheduling a hearing date.

- Trials generally are held: Mondays, Tuesdays, Thursday between 9:30 a.m. and 4:30 p.m. and Wednesdays between 10:00 a.m. and 4:30 p.m. A pre-trial conference may be scheduled two weeks before trial. Pretrial conferences will be at 2:00 p.m. on Fridays.
- Case Management Conferences are held: Tuesdays, Thursdays and Fridays at 9:00 a.m. Timely filed and complete case management conference statements are required and may eliminate the need for a hearing. Tentative Rulings will be available on the Court's website 3 days before the CMC.
- Law and Motion matters are heard: Wednesdays at 9:00 a.m. and Fridays at 9:30 a.m. Only 1 Demurrer and 1 Motion for Summary Judgment/Adjudication will be set on each calendar.
- Settlement Conferences are heard: Fridays at 10:00 a.m.
- Ex Parte matters are heard: Wednesdays and Fridays at 9:00 a.m. A maximum of 3 matters will be scheduled on each calendar. Urgent matters may be specially set by contacting the department.
- (1)Counsel should anticipate and attempt to resolve discovery and other disputes. (2) No discovery motion shall be filed without prior serious efforts to resolve the dispute. (3) A Mandatory Settlement Conferences will be scheduled approximately 30 days before trial. All parties with authority to settle must be personally present. The Court requests that the parties state an objection to the Direct Calendar judge conducting the settlement conference at the time the conference is scheduled

Law and Motion Procedures

To obtain a hearing date for a Law and Motion or ex parte matter, parties must contact the

department as follows:

• **Motion Reservations**

Email: Dept.23@alameda.courts.ca.gov
Phone: (510) 267-6939

The Court prefers that reservations for the Law and Motion calendar be made by e-mail.

• **Ex Parte Matters**

Email: Dept23@alameda.courts.ca.gov
Phone: (510) 267-6939

Tentative Rulings

The court will issue tentative rulings in accordance with the Local Rules. Tentative rulings will become the Court's order unless contested in accordance with the Local Rules. Tentative rulings will be available at:

- Website: www.alameda.courts.ca.gov/domainweb, Calendar Information for Dept. 23
- Phone: 1-866-223-2244

Dated: 03/27/2008

Executive Officer / Clerk of the Superior Court

By



Deputy Clerk

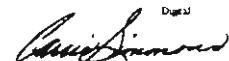
CLERK'S CERTIFICATE OF MAILING

I certify that the following is true and correct: I am the clerk of the above-named court and not a party to this cause. I served this Notice by placing copies in envelopes addressed as shown on the attached Notice of Initial Case Management Conference and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at Alameda County, California, following standard court practices.

Executed on 03/28/2008

Page 3 of 4

By



^{Digital}

Deputy Clerk

EXHIBIT C

California Secretary of State - California Business Search - Corporation Search Results Page 1 of 1

California Business Portal

SECRETARY OF STATE DEBRA BOWEN

SECRETARY OF STATE ELECTIONS & VOTER INFO POLITICAL REFORM CA BUSINESS PORTAL ARCHIVES & MUSEUM OTHER SERVICES

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[Corporations](#)

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[Field Definitions](#)
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[Corporate Records](#)
[Business Entities](#)
[Records Order Form](#)
[Certificates](#)
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[Site Search](#)

Corporations

The information displayed here is current as of "APR 11, 2008" and is updated weekly. It is not a complete or certified record of the Corporation.

| Corporation | | |
|----------------------------------|----------|-----------------------|
| PRIMERICA LIFE INSURANCE COMPANY | | |
| Number: | C0155630 | Date Filed: 9/28/1933 |
| Status: active | | |
| Jurisdiction: MASSACHUSETTS | | |
| Address | | |
| 3120 BRECKINRIDGE BLVD | | |
| DULUTH, GA 30099-0001 | | |
| Agent for Service of Process | | |
| C T CORPORATION SYSTEM | | |
| 818 WEST SEVENTH ST | | |
| LOS ANGELES, CA 90017 | | |

[Printer Friendly](#)

[New Search](#)

- For information about certification of corporate records or for additional corporate information, please refer to [Corporate Records](#).
- Blank fields indicate the information is not contained in the computer file.
- If the status of the corporation is "Surrender", the agent for service of process is automatically revoked. Please refer to California Corporations Code [Section 2114](#) for information relating to service upon corporations that have surrendered.

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EXHIBIT D

Group Affiliation: Primerica Group

PRIMERICA LIFE INSURANCE COMPANY

150 Federal Street, 15th Floor, Boston, Massachusetts, United States 02110
 Exec. Office: 3120 Breckinridge Boulevard, Duluth, Georgia, United States 30099-0001
 Web: www.primerica.com

| | |
|-------------------|-------------------|
| Tel: 770-381-1000 | Fax: 770-564-6279 |
| AMB#: 06693 | NAIC#: 65919 |
| FEIN#: 04-1590590 | |

BEST'S RATING

Based on our opinion of the consolidated Financial Strength of the life/health members of Primerica Group, which operate under a group structure, this group member is assigned a Best's Rating of A+ (Superior). The company is assigned the Financial Size Category of Class XIV which is the Financial Size Category of the parent.

RATING RATIONALE

Rating Rationale: The rating of Primerica Life Insurance Company and its subsidiaries, National Benefit Life Insurance Company and Primerica Life Insurance Company of Canada (collectively referred to as Primerica Life), is based upon its continued strong profitability, leading position in the U.S. term life insurance marketplace, strong risk-adjusted capitalization and favorable liability profile. In addition, the rating recognizes the considerable strategic and financial advantages the company enjoys as an indirect subsidiary of Citigroup, Inc. (Citigroup). Partially offsetting these strengths is Primerica Life's operational concentration in commodity term life insurance products, the competitive challenges inherent in the U.S. individual insurance market, and high dividend requirements to its ultimate parent.

The Primerica segment provides a considerable contribution to the Citigroup organization, both financially through annual dividends and strategically as an efficient distribution engine for its products. Primerica Life is one of the largest writers of term life insurance in the United States, and its strong market position is attributable to its dedicated distribution source in its agency affiliate, Primerica Financial Services, Inc. (PFS). This integrated distribution and operating platform has contributed to the insurance unit's excellent operating performance and provides significant cross-marketing opportunities for Citigroup's consumer products. In addition to Primerica's term life products, PFS markets products for other Citigroup affiliates, such as loans, through its financial needs analysis-based approach. Additionally, Primerica Life exhibits excellent liquidity due to its favorable liability profile, as most product liabilities are for term insurance, and conservative investment strategy. Primerica Life also benefits from the affiliation with Citigroup's distinguished brand name and global reach, strong financial flexibility and conservative risk management practices.

Primerica Life's focus on term life insurance products results in concentration risk, as this product line is price-sensitive and profits are based primarily on mortality gains. While this is a highly competitive, commodity-type product, A.M. Best notes that Primerica has significantly grown both its premium base and face amount in force. Despite significant dividend payments to its parent, which has historically comprised a high percentage of the company's statutory net income, Primerica has generally grown its capital base and maintains strong risk-adjusted capitalization.

Best's Rating: A+ g

Outlook: Stable

FIVE YEAR RATING HISTORY

| <u>Date</u> | <u>Best's Rating</u> |
|-------------|----------------------|
| 11/02/06 | A+ g |
| 07/01/05 | A+ g |
| 01/31/05 | A++u |
| 04/23/04 | A++g |
| 06/17/03 | A++g |
| 10/14/02 | A++g |
| 07/02/02 | A++g |

KEY FINANCIAL INDICATORS (in thousands of dollars)

| <u>Year</u> | Total Capital | | | | | |
|-------------|---------------|----------------------|-------------------------------|-----------------------------|--------------------------|-------------------|
| | <u>Assets</u> | <u>Capital Funds</u> | <u>Condit'l Reserve Funds</u> | <u>Net Premiums Written</u> | <u>Net Invest Income</u> | <u>Net Income</u> |
| 2001 | 4,546,919 | 1,562,759 | 46,921 | 953,591 | 282,333 | 242,327 |
| 2002 | 4,674,482 | 1,481,051 | 54,334 | 1,090,441 | 244,015 | 81,693 |
| 2003 | 5,344,016 | 1,676,388 | 73,627 | 1,062,442 | 249,696 | 230,822 |
| 2004 | 5,553,178 | 1,817,879 | 98,235 | 1,102,378 | 271,836 | 262,968 |
| 2005 | 5,437,586 | 1,702,667 | 36,840 | 1,130,896 | 376,715 | 344,329 |
| 2006 | 5,549,726 | 1,665,068 | 56,807 | 1,183,846 | 338,157 | 302,868 |
| 09/2006 | 5,628,704 | 1,781,944 | 45,734 | 883,954 | 219,811 | 192,612 |
| 09/2007 | 5,895,728 | 1,703,324 | 60,370 | 858,031 | 222,614 | 84,645 |

BUSINESS REVIEW

Primerica Life Insurance Company with its subsidiary and New York marketing arm, National Benefit Life Insurance Company (together referred to as Primerica Life), is one of the leading term life insurance providers in the United States with products distributed through its affiliated distribution system, Primerica Financial Services (PFS). In Canada, products are distributed through its affiliated Canadian agency, Primerica Financial Services Ltd. (PFS Canada), by Primerica Life Insurance Company of Canada (PLICC). Together, Primerica Life and PFS are referred to as the Primerica segment (Primerica). Primerica serves as a distribution hub for Citigroup's family of financial companies and is part of Citigroup's Global Consumer Group - Retail Distribution Unit, North America.

Citigroup is one of the largest financial services organizations in the world with a market capitalization exceeding \$270 billion. At year-end 2006, Citigroup reported total assets of \$1.88 trillion and stockholders' equity of nearly \$120 billion. Citigroup maintains exceptional financial flexibility based on its diverse operating profile, moderate leverage position and strong cash flows. It provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, investment advice, financial planning, securities brokerage, and asset management. Major brand names under Citigroup include Citibank, CitiFinancial, Primerica, Smith Barney and Banamex. A majority of Primerica's executive management team has been with the company over 20 years with extensive marketing experience.

Primerica's marketing strategy involves a needs-based, multiple product, cross-selling approach which is compatible with the overall strategy of the Citigroup consumer segment. The cornerstone of this approach is the Financial Needs Analysis (FNA), a personalized report prepared for clients by the company's sales force based upon input from the client. The purpose of the FNA is to assist customers in identifying their financial goals, existing resources and the services and products which will enable them to achieve their goals. Using this information, the PFS agent is equipped to fulfill the client's financial needs through cross-selling a variety of Citigroup proprietary and non-proprietary products. In addition, customers are offered the opportunity to become part-time representatives as a means to enhance their income and financial independence. While maintaining its

focus on the sale of term life insurance to middle-income families, this strategy enables the Prmerica segment to diversify its sources of revenue by offering a broader range of products, including mutual funds, variable annuities and debt consolidation products.

Individual term insurance accounts for virtually all of Prmerica's first year direct business. Prmerica offers versions of policies and riders with level term premiums of 10, 15, 20, 25, 30 and 35 years on the life of a primary insured and insured spouse. A child term rider and an increasing benefit rider are also offered. As with many term insurance providers, Prmerica Life was required to increase term insurance reserves in accordance with Regulation XXX. However, these additional reserves have not had an adverse effect on Prmerica Life due to sound pricing and underwriting, historically conservative reserving practices, its strong capital position and effective use of reinsurance. Further, business that was sold in the mid-1990s is now beyond the "humpback" portion of the statutory reserve profile and is funding the reserves for new policies. To aid beneficiaries, Prmerica Life offers the Prmerica Estate Account through which death claims are deposited in an interest bearing checking account. These liabilities are shown as deposit type funds under statutory accounting and are included in the supplementary contract line results.

PFS' combined agency force of approximately 100,000 licensed life agents primarily market the level term life insurance policies of Prmerica Life Insurance Company, National Benefit Life and PLICC as well as other financial products offered through the FNA. A large percentage of the representatives work on a part-time basis. The compensation structure is multilevel, with commissions divided among the selling agent and various levels of the PFS hierarchy. While first-year commissions are relatively high, overall costs to the company are offset to some extent by the fact that agents pay their own expenses and return commission advances on life insurance policies that lapse in the first year. Prmerica's distribution strategy is to continue growing its active field agency force and emphasizing productivity of its agents at all experience levels. The company has initiated a strong recognition program aimed at rewarding achievements at every level in the leadership hierarchy with established incentives.

In recent years, PFS has undertaken a number of initiatives designed to continually improve the quality and professionalism of its agency force. The company has also taken an aggressive stance on market conduct issues with compliance managed independently through Citigroup. The company has implemented a comprehensive field audit program and has increased staffing within the auditing and investigative departments based at the home office. While regional vice presidents (RVP) are responsible for monitoring the field force, agents designated as offices of supervisory jurisdiction oversee the RVPs, with an administration group at the home office to assist them. Three separate product compliance departments adhere to insurance, debt and securities regulations. At the present time, approximately one-third of PFS' licensed life agents have National Association of Securities Dealers (NASD) or Canadian securities licenses. To date, the company has experienced minimal issues that have required individual actions. The company's technology enhancements are designed to improve service to agents and customers, including simplifying information delivery through electronic access.

Prmerica's non-insurance product offerings have expanded significantly over the past several years. In addition to the many mutual funds offered, Prmerica also offers variable annuities through PLICC's segregated funds and through MetLife of Connecticut (the former Travelers Life and Annuity). In addition, the company has SMART debt consolidation offerings and has added certain niche products to diversify earnings including long-term care underwritten by a third party, prepaid legal offerings, and purchase money mortgages through CitiMortgage.

Prmerica's distributes life insurance in Spain through its wholly-owned Ireland-domiciled insurance company, Cilife Financial Ltd. and its affiliated agency, Cilisolutions Financial Limited. Management is focused on managing the quality of the business in Spain and producing more favorable results with a growing sales force, including achieving higher retention goals and reaching critical mass in this market. In 2007, the company discontinued the distribution of financial products in the United Kingdom.

PREMIUM AND RESERVE ANALYSIS

| <u>Direct Premiums (000)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Ordinary life | 1,579,133 | 1,511,846 | 1,442,846 | 1,372,153 | 1,311,126 |
| Individual annuities | 2,177 | 2,375 | 2,548 | 2,767 | 2,842 |
| Individual A&H | 885 | 939 | 971 | 1,046 | 1,132 |
| Group A&H | 312 | 363 | 414 | 489 | 559 |
| Total | 1,582,508 | 1,515,522 | 1,446,778 | 1,376,455 | 1,315,659 |

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| <u>Reins Assumed Prems (000)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Ordinary life | 32,707 | 25,166 | 27,629 | 24,986 | 400 |
| Credit life | 8,366 | 11,428 | 7,889 | 16,464 | 29,531 |
| Credit A&H | 16,971 | 21,195 | 11,452 | 28,789 | 55,934 |
| Total | 58,044 | 57,789 | 46,969 | 70,239 | 85,865 |
| <u>Reins Ceded Prems (000)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
| Ordinary life | 430,720 | 397,862 | 361,742 | 335,781 | 309,485 |
| Credit life | 8,333 | 16,740 | 12,907 | 21,051 | -30 |
| Individual A&H | 885 | 939 | 971 | 1,046 | 1,133 |
| Credit A&H | 16,455 | 26,511 | 15,335 | 25,884 | -62 |
| Group A&H | 312 | 363 | 414 | 489 | 559 |
| Total | 456,706 | 442,415 | 391,369 | 384,252 | 311,084 |
| <u>Net Premiums & Deposits (000)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
| Ordinary life | 1,181,121 | 1,139,150 | 1,108,732 | 1,061,357 | 1,002,042 |
| Credit life | 33 | -5,312 | -5,019 | -4,587 | 29,561 |
| Individual annuities | 317,422 | 336,586 | 335,937 | 410,760 | 373,708 |
| Individual A&H | ... | ... | ... | ... | -1 |
| Credit A&H | 516 | -5,316 | -3,884 | 2,905 | 55,996 |
| Total | 1,499,091 | 1,465,108 | 1,435,766 | 1,470,435 | 1,461,307 |
| Deposits (incl. above) | 315,245 | 334,211 | 333,388 | 407,993 | 370,866 |
| General Account | | | | | |
| <u>Reserve Distribution (000)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
| Ordinary life | 3,050,287 | 2,862,107 | 2,654,380 | 2,454,963 | 2,281,671 |
| Credit life | 16,120 | 14,800 | 18,179 | 21,287 | 21,908 |
| Supplementary contracts | 74 | 122 | 110 | 69 | 91 |
| Individual annuities | 65,940 | 67,225 | 68,021 | 69,191 | 71,007 |
| Deposit type contracts | 282,138 | 310,236 | 309,172 | 303,202 | 257,441 |
| Credit A&H | 32,795 | 32,475 | 38,000 | 42,120 | 38,934 |
| Total | 3,447,354 | 3,286,964 | 3,087,862 | 2,890,832 | 2,671,051 |

Current Year Geographic Direct Premium Distribution (\$000): California, \$259,694 (16.5%); Texas, \$116,151 (7.4%); Florida, \$108,868 (6.9%); Georgia, \$66,758 (4.2%); Illinois, \$65,743 (4.2%); other jurisdictions, \$960,599 (60.9%).

EARNINGS

Prmerica's insurance revenues have grown consistently over the past five years and are supplemented by income generated from its financial needs based cross-marketing strategy for selling a wide array of financial products. Prmerica has generally produced solid and consistent statutory net operating gains, although a decline in net operating gain in 2002 was largely a result of non-recurring items including additional reserving from Regulation XXX. Prmerica's earnings have benefited from continued favorable mortality experience relative to pricing expectations, and disciplined expense management. Overall general expenses to premium ratios have been fairly steady, which is favorable given increases in new sales and investments in its operating infrastructure. Although the company's earnings were somewhat adversely impacted by the adoption of Regulation XXX for business issued after 1999, A.M. Best believes that, given Prmerica's existing reserve position, any future impact from this regulation should not significantly affect earnings. In addition, Prmerica has produced historically strong statutory

returns on equity -- averaging nearly 17% over the past four years -- that are consistently higher than most of its peers.

Nearly all of Primerica Life's operating gains are generated from its ordinary life operations, with its reinsurance programs contributing to earnings stability. The supplemental contracts from its Primerica Estate Account produce some nominal income. Primerica Life uses yearly renewable term reinsurance contracts which originally ceded 80% of mortality risk on virtually all new term life insurance issued. In 1997, ceding was increased to 90% and has remained at or about that level for issue years there since. The primary purpose of the contracts is to stabilize margins and reduce earnings volatility. Overall, A.M. Best expects that the consistent and strong operating fundamentals of the company, combined with continuing benefits derived from its affiliation with Citigroup, provide a strong and profitable operating platform for future growth.

PROFITABILITY TESTS

| Year | Comm & | | Operating | | | Net Yield | Total Return |
|---------|-----------------------------|------------------------|-------------------------|-------------------|---------------------|--------------|-----------------|
| | Ben Paid to NPW & Dep | Exp to NPW & Dep | NOG to Tot Assets | NOG to Tot Rev | Return on Equity | | |
| 2002 | 24.2 | 30.5 | 2.4 | 8.0 | 7.4 | 5.58 | 6.46 |
| 2003 | 24.8 | 29.4 | 4.8 | 17.2 | 15.4 | 5.27 | 8.16 |
| 2004 | 26.3 | 31.3 | 4.8 | 18.0 | 15.1 | 5.30 | 7.84 |
| 2005 | 26.9 | 30.7 | 6.1 | 21.2 | 19.1 | 7.36 | 2.36 |
| 2006 | 26.6 | 32.1 | 5.5 | 19.1 | 17.9 | 6.55 | 7.61 |
| 09/2006 | 34.6 | 39.8 | 3.5 | 16.7 | 11.0 | 4.18 | 5.56 |
| 09/2007 | 35.4 | 43.5 | 1.5 | 7.4 | 5.0 | 4.05 | 6.04 |

PROFITABILITY ANALYSIS

| <u>Net Operating Gain (000)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Ordinary life | 297,694 | 329,511 | 258,046 | 242,401 | 131,648 |
| Credit life | -804 | 995 | 893 | -519 | -7,802 |
| Supplementary contracts | 2,742 | 1,462 | 1,452 | 979 | 3,610 |
| Individual annuities | 1,001 | 1,408 | 998 | 777 | 529 |
| Individual A&H | 40 | 41 | 43 | 47 | 71 |
| Credit A&H | -6 | 2,434 | 1,867 | -1,157 | -16,156 |
| Group A&H | 8 | 10 | 11 | 13 | 21 |
| Total | 300,675 | 335,861 | 263,311 | 242,541 | 111,921 |

CAPITALIZATION

Over the past five years, Primerica Life has upstreamed, in the form of cash dividends, nearly \$1.2 billion (greater than ninety percent) of its total net operating gains generated during this same period. Despite these dividends, Primerica's risk-adjusted capitalization continues to exceed the levels maintained at many other Superior-rated companies. A.M. Best believes the strong risk-adjusted capitalization is reflective of Primerica's disciplined management and dedication to maintaining a healthy capital base, including a "cushion" to accommodate any unforeseen events. Historically, the company has experienced minimal realized capital losses on its investment portfolio relative to net operating gains, particularly when compared to the industry, while realized capital gains have enhanced surplus growth.

Primerica Life's capitalization has benefited from earnings generated from its core operations as well as dividends received from its subsidiary, PLICC, comprised of cash plus a nominal amount of investment grade bonds. While the company does not have annual dividend expectations from its subsidiaries, including PLICC, payments may be made periodically if deemed appropriate. Primerica also enjoys additional financial flexibility as a member of Citigroup, which can efficiently access capital in the form of debt or equity securities in the public or private markets. Overall, A.M. Best expects that Primerica's consistent

and strong operating fundamentals, as well as the financial flexibility of its ultimate parent, will provide capital that is more than sufficient to support the insurance and investment risks of its growing core and ancillary product operations.

LEVERAGE TESTS

| Year | C&S | | Surplus Relief | Reins Leverage | NPW & Dep to Capital | Change in NPW & Dep | Change in Capital |
|---------|-------------------|-----|-------------------|-------------------|----------------------------|---------------------------|-------------------------|
| | to Liabilities | | | | | | |
| 2002 | 48.9 | 1.9 | 61.8 | 1.0 | 11.5 | -4.6 | |
| 2003 | 48.7 | 3.5 | 58.7 | 0.8 | 0.6 | 14.0 | |
| 2004 | 52.7 | 2.4 | 54.6 | 0.7 | -2.4 | 9.5 | |
| 2005 | 47.0 | 3.2 | 58.3 | 0.8 | 2.0 | -9.2 | |
| 2006 | 45.0 | 2.5 | 56.9 | 0.9 | 2.3 | -1.0 | |
| 09/2006 | 48.1 | 1.7 | XX | 0.5 | 5.4 | 5.1 | |
| 09/2007 | 42.7 | 1.7 | XX | 0.5 | -2.9 | 2.4 | |

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SOURCES OF CAPITAL GROWTH (in thousands of dollars)

| Year | Net Gain | Realized Capital Gains | Unrealized Capital Gains | Change AVR | Other Changes | Change in C&S |
|---------|-------------|------------------------------|--------------------------------|---------------|------------------|---------------------|
| | | | | | | |
| 2002 | 111,921 | -30,228 | 60,587 | -7,413 | -216,575 | -81,708 |
| 2003 | 242,541 | -11,719 | 141,883 | -19,292 | -158,075 | 195,337 |
| 2004 | 263,311 | -343 | 124,545 | -24,608 | -221,414 | 141,491 |
| 2005 | 335,861 | 8,468 | -289,084 | 61,394 | -231,851 | -115,212 |
| 2006 | 300,675 | 2,194 | 47,142 | -19,966 | -367,643 | -37,599 |
| 09/2006 | 191,773 | 839 | 67,784 | XX | XX | XX |
| 09/2007 | 83,457 | 1,188 | 104,101 | XX | XX | XX |

CAPITAL TRENDS (in thousands of dollars)

| Year | Year end C&S | Surplus Notes | Stock- holder Divs | Policy- holder Divs | Asset Valuation Reserve | Interest Maintenance Reserve |
|---------|--------------------|------------------|--------------------------|---------------------------|-------------------------------|------------------------------------|
| | | | | | | |
| 2002 | 1,481,051 | ... | 220,000 | ... | 54,334 | 67,365 |
| 2003 | 1,676,388 | ... | 140,000 | ... | 73,627 | 67,514 |
| 2004 | 1,817,879 | ... | 220,000 | ... | 98,235 | 63,839 |
| 2005 | 1,702,667 | ... | 260,000 | ... | 36,840 | 73,550 |
| 2006 | 1,665,068 | ... | 330,000 | ... | 56,807 | 67,732 |
| 09/2006 | 1,781,944 | XX | 175,000 | ... | 45,734 | 67,397 |
| 09/2007 | 1,703,324 | XX | 108,000 | ... | 60,370 | 66,740 |

INVESTMENTS AND LIQUIDITY

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Primerica Life's invested assets are managed by Conning Asset Management. The portfolio is both conservative and highly liquid, with over eighty percent of assets invested in bonds and short-term commercial paper. Despite some credit migration within its bond portfolio, Primerica Life's proportion of below investment grade bonds remains moderate. The company's weaker credits are closely monitored and actively managed, and Primerica takes a conservative accounting position with respect to other-than-temporary impairments (OTTI). Overall, the portfolio contains a diversified pool of investments with limited concentration to any one issuer. A.M. Best notes that securitized investments comprise over forty percent of the bond portfolio. These mortgage-backed securities and collateralized mortgage obligations (CMO) are primarily held in less risky pass-through securities and payment protected sequential pay and planned amortization class CMO tranches.

Nearly seventeen percent of the portfolio is invested in preferred and common stocks. Most of Primerica Life's common equity holdings are in affiliated companies, chiefly the company's New York, Irish, and Canadian subsidiaries, as well as its ultimate parent, Citigroup. The affiliated common stock investments decreased in 2005 due to decreased valuation of its Canadian subsidiary. In 2002, Primerica Life converted its ownership in a Citigroup investment affiliate to an affiliated common stock investment; thereby increasing its allocation to equity holdings. The company holds 5.321% cumulative preferred stock of Citigroup, Inc. carrying a statement value of \$391 million, and which generates nearly \$21 million in annual dividend income. Combined, these affiliated preferred and common stock investments comprise nearly fifty percent of the company's adjusted capital and surplus position, which somewhat limits its liquidity.

Primerica Life's Investment Committee is responsible for establishing investment objectives and guidelines, reviewing all transactions and approving any exceptions. The company utilizes various financial instruments to hedge existing and anticipated exposure to interest rates and foreign currency, to provide greater risk diversification and to better match assets and liabilities. Due mainly to the high credit quality of Primerica Life's bond portfolio, the company's gross and net yields fall below those of similarly-rated peers. A.M. Best notes that total returns have fluctuated and compare less favorably due to the growing proportion of lower-yielding cash and short-term investments.

Primerica Life's product line is comprised almost exclusively of stable and predictable term life products, which should largely limit the company's exposure to asset/liability management risk. Primerica Life maintains a very high quality and diverse investment portfolio and an acceptable liquidity position in relation to its stable liability structure, supported by investment grade bonds, cash and short-term obligations. Given the size of its investment portfolio, Primerica Life also participates extensively in securities lending agreements whereby the company loans securities and generally receives 102% of the market value in cash collateral upon initiation of the contract. Primerica Life has also seen higher demand of its Primerica Estate Account offering, whereby beneficiaries of death claims may have proceeds deposited into a money-market type checking account, thus reducing the company's need for immediate liquidity upon claim settlement.

LIQUIDITY TESTS

| Year | Operating | | | Non-Inv | DeInq & | Mtg & Cred | Affil |
|---------|-------------------|-----------------|-------------------|------------------------|-------------------------|---------------------|-------------------|
| | Cash Flow (\$000) | Quick Liquidity | Current Liquidity | Grade Bonds to Capital | Foreclsd Mtg to Capital | Ten Lns & RE to Cap | Invest to Capital |
| 2002 | 9,858 | 81.7 | 96.3 | 18.5 | ... | ... | 56.8 |
| 2003 | 388,843 | 77.7 | 92.9 | 18.9 | ... | ... | 57.3 |
| 2004 | 119,279 | 73.2 | 90.3 | 16.9 | ... | ... | 58.4 |
| 2005 | 126,843 | 69.9 | 87.8 | 16.4 | ... | ... | 47.3 |
| 2006 | 160,923 | 84.0 | 97.6 | 16.6 | ... | ... | 53.0 |
| 09/2006 | 175,541 | XX | XX | 15.0 | ... | ... | XX |
| 09/2007 | 281,262 | XX | XX | 16.2 | ... | ... | XX |

INVESTMENT YIELDS

| Year | Net | | | Mort- gages | Short Term | Cash & Real Estate | | Invest. Exp. | |
|------|-------|-------|--------|----------------|---------------|-----------------------|-----|-----------------|--|
| | Yield | Bonds | Stocks | | | Gross | Net | Ratio | |
| 2002 | 5.58 | 6.82 | 3.06 | ... | 1.90 | ... | ... | 2.74 | |
| 2003 | 5.27 | 6.40 | 2.55 | ... | 1.40 | ... | ... | 1.95 | |
| 2004 | 5.30 | 6.16 | 2.17 | ... | 1.75 | ... | ... | 2.28 | |
| 2005 | 7.36 | 5.91 | 9.46 | ... | 4.43 | ... | ... | 1.27 | |
| 2006 | 6.55 | 5.81 | 7.80 | ... | 9.26 | ... | ... | 1.20 | |

INVESTMENT DATA

Current Year Distribution of Bonds By Maturity

| | Years | | | | | Yrs-Avg Maturity |
|----------------------------|-------------------------|-------------|-------------|-------------|-------------|---------------------|
| | 0-1 | 1-5 | 5-10 | 10-20 | 20+ | |
| Government | 1.2 | 0.6 | 0.3 | 0.2 | 0.1 | 4 |
| Gov't Agencies & Muni | 2.2 | 7.0 | 5.5 | 3.4 | 1.8 | 8 |
| Public Utilities | 0.4 | 1.4 | 0.9 | 0.1 | 0.6 | 8 |
| Industrial & Misc | 9.0 | 29.5 | 28.6 | 3.6 | 3.6 | 6 |
| Total | 12.9 | 38.5 | 35.3 | 7.3 | 6.1 | 6 |
| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | |
| <u>Bonds (000)</u> | 4,254,449 | 4,221,697 | 3,860,775 | 3,604,869 | 3,275,368 | |
| US Government | 1.6 | 2.2 | 6.9 | 8.4 | 8.3 | |
| Foreign Government | ... | 1.2 | 2.5 | 2.2 | 1.6 | |
| Foreign - All Other | 12.6 | 11.9 | 12.2 | 9.6 | 7.8 | |
| State/Special Revenue - US | 20.7 | 21.7 | 20.3 | 24.1 | 29.6 | |
| Public Utilities - US | 3.0 | 3.0 | 3.2 | 3.9 | 5.0 | |
| Industrial & Misc - US | 62.0 | 59.9 | 54.9 | 51.8 | 47.7 | |
| Private Issues | 6.6 | 17.0 | 17.3 | 13.8 | 11.4 | |
| Public Issues | 93.4 | 83.0 | 82.7 | 86.2 | 88.6 | |
| | <u>Bond Quality (%)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
| Class 1 | 74.1 | 70.8 | 67.1 | 71.0 | 70.4 | |
| Class 2 | 19.4 | 22.5 | 25.0 | 20.6 | 21.6 | |
| Class 3 | 3.9 | 4.4 | 4.6 | 4.6 | 5.1 | |
| Class 4 | 2.1 | 1.8 | 2.4 | 2.3 | 1.7 | |
| Class 5 | 0.4 | 0.5 | 0.8 | 1.3 | 0.9 | |
| Class 6 | 0.1 | 0.1 | 0.2 | 0.3 | 0.3 | |
| | <u>Stocks (000)</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
| Unaffiliated Common | 905,224 | 860,888 | 1,182,131 | 1,072,771 | 939,854 | |
| Affiliated Common | 2.0 | 1.0 | 0.7 | 0.4 | 0.3 | |
| Unaffiliated Preferred | 48.8 | 46.6 | 60.3 | 55.7 | 49.6 | |
| Affiliated Preferred | 2.7 | 3.6 | 4.7 | 6.1 | 7.0 | |

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|-------------------------------|---------|---------|---------|---------|---------|
| <u>Other Inv Assets (000)</u> | 203,190 | 119,884 | 283,089 | 444,432 | 298,458 |
| Cash | 53.5 | -4.6 | -1.1 | -2.0 | -2.0 |
| Short-Term | 19.7 | 28.1 | 74.7 | 74.1 | 91.6 |
| Schedule BA Assets | 26.2 | 75.2 | 24.0 | 15.5 | 10.3 |
| All Other | 0.5 | 1.3 | 2.3 | 12.5 | ... |

HISTORY

Date Incorporated: 09/19/1927

Date Commenced: 10/31/1927

Domicile: MA

Originally the company was founded as the Fraternal Protective Association of Boston in 1903. The company later incorporated in 1927 as Fraternal Protective Insurance Company, in 1931 the name was changed to Massachusetts Indemnity Insurance Company; the name Massachusetts Indemnity and Life Insurance Company was adopted in 1956. Effective July 1, 1992, the company changed its name to the present name.

Citigroup Inc. acquired ownership of Primerica Life Insurance Company in January 1983. In December 1988, Primerica Corporation was merged into a wholly-owned subsidiary of Commercial Credit Group, Inc. and concurrently the name of Commercial Credit Group was changed to Primerica Corporation. Prior to the merger, both organizations were primarily financial service institutions, with Commercial Credit conducting consumer finance business and Primerica engaged in financial services, including life insurance, mutual funds and brokerage operations. On December 31, 1993, the Travelers Corporation merged into Primerica Corporation, and the latter's name was changed to The Travelers Inc. Also on December 21, 1993, Primerica Insurance Holdings, Inc., then the direct parent of Primerica Life, was contributed to the Travelers Insurance Company (TIC). On April 26, 1995, The Travelers Inc. name was changed to Travelers Group. In October 1998, Travelers Group merged with Citicorp to form Citigroup. In March 2002, Citigroup completed the sale of a minority interest in Travelers Property Casualty Corp. (TPC), formerly The Travelers Insurance Group, Inc. and the parent company of TIC. On June 30, 2005, Citigroup sold its domestic life insurance and annuity life, primarily TIC and substantially all of its international insurance subsidiaries to MetLife. As a result, Primerica Life and its subsidiaries were distributed to TIC's immediate parent, Citigroup Insurance Holding Corporation, an indirect subsidiary of Citigroup.

Mergers: Penn Security Life Insurance Company, Missouri, 1975; Voyager Life Insurance Company of South Carolina, 1987; A.L. Williams Life Insurance Company, Georgia, 1989.

OFFICERS

President and Chief Executive Officer, Jeffrey S. Fendler; Executive Vice President and Chief Financial Officer, Alison S. Rand; Executive Vice President and Secretary, Stanton J. Shapiro; Executive Vice President and Chief Actuary, Daniel B. Settle; Executive Vice President and General Counsel, Peter W. Schneider; Executive Vice Presidents, Michael C. Adams, Chess E. Britt, Shirley A. Cate, David T. Chadwick, Cynthia A. Chavis, V. Catherine Falls, Karen R. Fine, Alexis P. Ginn, Edwin L. Hoffman, William A. Kelly, Barbara T. King, Monica Lewis, Ricky L. Mathis, Cynthia E. Mitchell, Melanie J. Mitchell, Duane M. Morrow, Joseph L. Moskowitz, Terrie L. Mote, Robert H. Peterman, Jr., Gregory C. Pitts, Norma J. Richardson, David H. Siegel, Wanda S. Smith, Mark L. Supic, Thomas F. Swift, Deborah F. Thomas, Janice L. Trantham, Michael S. Turnage, Lisa M. Vacante, David R. Wade, Glenn J. Williams, Danny J. Woodard; Senior Vice President and Treasurer, D. Gentry Rose.

DIRECTORS

John A. Addison, Jr., David T. Chadwick, Jeffrey S. Fendler, Ricky L. Mathis, Joseph L. Moskowitz, Terrie L. Mote, Alison S. Rand, Raul Rivera, Daniel B. Settle, D. Richard Williams, Glenn J. Williams.

REINSURANCE

Since 1994, Primerica has used yearly renewable term insurance to cede 80% of the mortality risk on new business written. In 1997, Primerica increased the percentage ceded to 90%. New business is reinsured through the following pool: Generali USA

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Life Reassurance Company (formerly Business Men's Assurance Company of America) (Missouri), Revis Reinsurance US Inc. (formerly Gerling Global Life Reinsurance Company) (California), and RGA Reinsurance Company (Missouri). Maximum net retention on any one life is \$1,000,000 for ordinary life plans. The company also assumed certain premiums from RGA Reinsurance Company through funds withheld treaties.

REGULATORY

An examination of the financial condition is being made as of December 31, 2004 by the Insurance Department of Massachusetts. The 2006 annual independent audit of the company was conducted by KPMG, LLP. The annual statement of actuarial opinion is provided by Daniel B. Settle, Executive Vice President & Chief Actuary.

Territory: The company is licensed in the District of Columbia, Guam, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands, AL, AK, AZ, AR, CA, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI and WY. The company is also licensed in New York as an authorized reinsurer.

Reserve basis: (Current ordinary business): 2001 CSO 4%; CRVM valuation.

FINANCIAL INFORMATION

BALANCE SHEET - December 31, 2006 (in thousands of dollars)

| Assets | Liabilities |
|-------------------------|-------------------------|
| *Total bonds | 4,254,449 |
| *Total preferred stocks | +Net policy reserves |
| *Total common stocks | 3,165,216 |
| Cash & short-term inv | 82,955 |
| Premis and consids due | 445,111 |
| Accrued invest income | 282,138 |
| Other assets | 148,819 |
| | Interest maint reserve |
| | 24,186 |
| | Comm taxes expenses |
| | 46,096 |
| | Asset val reserve |
| | 170,953 |
| | Other liabilities |
| | Total Liabilities |
| | 3,884,658 |
| Assets | Common stock |
| | 2,500 |
| | Treas stock common |
| | -15 |
| | Paid in & contrib surpl |
| | 720,123 |
| | Unassigned surplu |
| | 942,460 |
| 5,549,726 | Total |
| | 5,549,726 |

*Securities are reported on the bases prescribed by the National Association of Insurance Commissioners. + Analysis of reserves; Life \$2,419,491; annuities \$65,940; supplementary contracts with life contingencies \$74; accidental death benefits \$14; disability active lives \$100,032; disability disabled lives \$245,384; miscellaneous reserves \$301,486; accident & health \$32,795.

SUMMARY OF OPERATIONS (in thousands of dollars)

Best's Insurance Reports - Life Health, US, 2007 Edition (2007 9-Month Supplement, Version 2007.3)
06693 - Pramerica Life Insurance Company

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| | | | |
|--------------------------|------------------|-------------------------------|------------------|
| Premiums: | | | |
| Ordinary life | 1,181,121 | Death benefits | 370,983 |
| Individual annuities | 2,177 | Disability benefits | 12,208 |
| Credit life | 33 | Surrender benefits | 6,059 |
| Acc & health credit | 516 | Int on policy funds | 10,212 |
| Total premiums | 1,183,846 | Supplementary contracts | 40 |
| Supplementary contracts | 8 | Incr life reserves | 188,168 |
| Net investment income | 338,157 | Incr a & h reserves | 320 |
| Amort interest maint res | 6,525 | Commissions | 279,780 |
| Comm & exp reins ceded | 41,587 | Comm exp reins assumed | 16,718 |
| Reinsurance income | -10,681 | Insur taxes lic & fees | 36,309 |
| Other income | 12,442 | General ins expenses | 190,169 |
| Total | 1,571,884 | Misc operating expense | 25 |
| | | Total | 1,110,993 |

| | |
|--|---------|
| Gain from operations before FIT & div to policyholders | 460,891 |
| Federal income taxes incurred | 160,217 |
| Net gain from operations after federal income taxes | 300,675 |

CASH FLOW ANALYSIS
(in thousands of dollars)

| Funds Provided | | Funds Applied | |
|-------------------------|------------------|--------------------------|------------------|
| Gross cash from oper | 1,589,240 | Benefits paid | 381,084 |
| Long-term bond proceeds | 746,742 | Comm, taxes, expenses | 493,691 |
| Other cash provided | 46,316 | Long-term bonds acquired | 776,754 |
| | | Div to stockholders | 330,000 |
| | | Other cash applied | 280,136 |
| | | Incr cash & short-term | 120,633 |
| Total | 2,382,299 | Total | 2,382,299 |

INTERIM BALANCE SHEET
(in thousands of dollars)

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Best's Insurance Reports - Life Health, US, 2007 Edition (2007 9-Month Supplement, Version 2007 3)
08893 - Primerica Life Insurance Company

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| | 03/31/2007 | 06/30/2007 | 09/30/2007 |
|---------------------------------|------------|------------|------------|
| Assets | | | |
| Total bonds | 4,264,441 | 4,353,975 | 4,398,376 |
| Total preferred stocks | 445,113 | 444,704 | 444,652 |
| Total common stocks | 485,137 | 477,507 | 571,563 |
| Cash & short-term inv | 192,520 | 207,472 | 274,881 |
| Accrued invest income | 48,214 | 46,958 | 50,193 |
| Other assets | 187,754 | 178,258 | 156,064 |
| Assets | <hr/> | <hr/> | <hr/> |
| | 5,623,179 | 5,708,874 | 5,895,728 |
| Liabilities | | | |
| Net policy reserves | 3,283,304 | 3,346,308 | 3,433,433 |
| Liab for deposit-type contracts | 280,870 | 275,919 | 266,051 |
| Policy claims | 80,878 | 79,574 | 80,156 |
| Interest maint reserve | 69,288 | 67,650 | 66,740 |
| Comm taxes expenses | 92,668 | 72,418 | 99,406 |
| Asset val reserve | 53,609 | 54,950 | 60,370 |
| Payable to affiliate | ... | ... | 94,671 |
| Other liabilities | 165,813 | 183,796 | 91,576 |
| Total liabilities | <hr/> | <hr/> | <hr/> |
| | 4,026,430 | 4,080,616 | 4,192,404 |
| Common stock | 2,500 | 2,500 | 2,500 |
| Treas stock common | -15 | -15 | -15 |
| Paid in & contrib surpl | 721,941 | 723,245 | 724,952 |
| Unassigned surplus | 872,323 | 902,528 | 975,887 |
| Total | <hr/> | <hr/> | <hr/> |
| | 5,623,179 | 5,708,874 | 5,895,728 |

INTERIM SUMMARY OF OPERATIONS

| | Period Ended 09/30/2007 | Period Ended 09/30/2006 | Increase/ (Decrease) |
|-------------------------|----------------------------|----------------------------|-------------------------|
| Prem & ann consid | 858,031 | 883,954 | -25,923 |
| Total premiums | <hr/> | <hr/> | <hr/> |
| | 858,031 | 883,954 | -25,923 |
| Net investment income | 222,614 | 219,811 | 2,804 |
| Amort interest main res | 5,367 | 4,787 | 580 |
| Comm & exp reins ceded | 29,500 | 30,686 | -1,186 |
| Other income | 13,889 | 9,184 | 4,704 |
| Total | <hr/> | <hr/> | <hr/> |
| | 1,129,401 | 1,148,423 | -19,022 |
| Death benefits | 280,581 | 284,387 | -3,806 |
| Surrender benefits | 4,948 | 4,452 | 496 |
| Disability and A&H ben | 10,923 | 8,945 | 1,978 |
| Int on policy funds | 7,388 | 7,767 | -379 |
| Supplementary contracts | 9 | 11 | -2 |
| Change in reserves | 230,880 | 161,792 | 69,088 |
| Commissions | 223,816 | 208,567 | 15,249 |

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| | | | |
|---|----------------|----------------|---------------|
| Comm exp reins assumed | 11,194 | 10,684 | 510 |
| Insur taxes lic & fees | 30,054 | 27,866 | 2,188 |
| General ins expenses | 137,740 | 135,281 | 2,459 |
| Other disbursements | 1 | 137 | -135 |
| Total | 937,533 | 849,888 | 87,645 |
| Gain from operations before federal income taxes | 191,868 | 298,535 | -106,667 |
| Federal income taxes incurred | 108,410 | 106,761 | 1,649 |
| Net gain from operations after federal income tax | 83,457 | 191,773 | -108,316 |

ORDINARY LIFE STATISTICS

| Year | Ord. Lapse Ratio | Average | | Avg. Prem (\$/M) | 1st Yr Prem | 1st Yr Comm / Prem | Gen. Exp. / Policies |
|------|------------------------|---------------|-----------------|------------------------|-----------------|--------------------------|----------------------------|
| | % | <u>Issued</u> | <u>In Force</u> | | 1st Yr Total | 1st Yr Prem | <u>In Force</u> |
| 2002 | 8.8 | 306,238 | 183,779 | 3.14 | 13.5 | 129.3 | 71.40 |
| 2003 | 8.5 | 313,541 | 198,836 | 3.16 | 13.1 | 140.0 | 75.90 |
| 2004 | 8.2 | 320,653 | 209,993 | 3.11 | 13.6 | 137.3 | 76.47 |
| 2005 | 7.7 | 332,623 | 220,899 | 3.08 | 12.9 | 138.1 | 72.96 |
| 2006 | 8.3 | 343,428 | 230,992 | 3.11 | 12.5 | 136.0 | 78.00 |

| Year | # Policies Issued | # Policies in Force | First Year Premium | Gen'l Exp/ Reserves | Return on Reserves |
|------|----------------------|------------------------|-----------------------|------------------------|-----------------------|
| | (000) | (000) | (000) | (%) | (%) |
| 2002 | 221 | 2,276 | 176,584 | 7.12 | 5.77 |
| 2003 | 221 | 2,226 | 179,459 | 6.88 | 9.87 |
| 2004 | 236 | 2,253 | 195,969 | 6.49 | 9.72 |
| 2005 | 212 | 2,257 | 195,097 | 5.75 | 11.51 |
| 2006 | 204 | 2,243 | 197,030 | 5.74 | 9.76 |

INDIVIDUAL ANNUITY STATISTICS

| Year | NPW & Dep (000) | Res & Dep Liab | Exp to Res & Dep | Comm & Exp to NPW & Dep (%) | Benefits & Wdrwls to NPW & Dep (%) | Benefits & Wdrwls to Res & Dep Liab (%)* |
|------|--------------------|-------------------|---------------------|--------------------------------------|---|---|
| | | (000) | Liab (%)* | Dep (%) | Dep (%) | Dep (%) |
| 2002 | 373,708 | 328,539 | 0.2 | 0.1 | 3.6 | 4.1 |
| 2003 | 410,760 | 372,462 | 0.2 | 0.1 | 3.3 | 3.7 |
| 2004 | 335,937 | 377,304 | 0.2 | 0.2 | 3.8 | 3.4 |
| 2005 | 336,586 | 377,582 | 0.2 | 0.2 | 4.0 | 3.5 |
| 2006 | 317,422 | 348,153 | 0.2 | 0.2 | 4.6 | 4.2 |

* Includes Separate Account reserves.

TOTAL ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

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| Year | Total Annuity | Min or No Surrender | With Surrender | With MVA (%)* | No Surrender Allowed (%)* |
|------|----------------------|---------------------|------------------------|---------------|---------------------------|
| | Res & Dep Liab (000) | Charge (%)* | Charge 5% or more (%)* | | |
| 2002 | 328,539 | 100.0 | ... | ... | 0.0 |
| 2003 | 372,462 | 100.0 | ... | ... | 0.0 |
| 2004 | 377,304 | 100.0 | ... | ... | 0.0 |
| 2005 | 377,582 | 100.0 | ... | ... | 0.0 |
| 2006 | 348,153 | 100.0 | ... | ... | 0.0 |

* Includes Separate Account reserves.

NEW LIFE BUSINESS ISSUED
(in thousands of dollars)

| Year | Whole Life | | | | Indus- trial | Insurance Issued | Total | Non- |
|------|------------|------------|--------|-------|-----------------|---------------------|-------|------|
| | & Endow | Term | Credit | Group | | | (%) | Par |
| 2001 | ... | 61,346,505 | ... | ... | ... | 61,346,505 | 100 | ... |
| 2002 | ... | 67,606,013 | ... | ... | ... | 67,606,013 | 100 | ... |
| 2003 | ... | 69,208,246 | ... | ... | ... | 69,208,246 | 100 | ... |
| 2004 | ... | 75,803,416 | ... | ... | ... | 75,803,416 | 100 | ... |
| 2005 | ... | 70,573,363 | ... | ... | ... | 70,573,363 | 100 | ... |
| 2006 | ... | 69,935,967 | ... | ... | ... | 69,935,967 | 100 | ... |

LIFE INSURANCE IN FORCE
(in thousands of dollars)

| Year | Whole Life | | | | Industrial | Total Insurance In Force |
|------|--------------|-------------|-----------|-------|------------|-----------------------------|
| | Endow & Adds | Term | Credit | Group | | |
| 2001 | ... | 383,697,544 | ... | ... | ... | 383,697,544 |
| 2002 | ... | 418,204,781 | 1,982,083 | ... | ... | 420,186,864 |
| 2003 | ... | 442,671,820 | 1,500,000 | ... | ... | 444,171,820 |
| 2004 | ... | 473,046,142 | 1,330,000 | ... | ... | 474,376,142 |
| 2005 | ... | 498,599,212 | 807,475 | ... | ... | 499,406,687 |
| 2006 | ... | 518,203,082 | 750,000 | ... | ... | 518,953,082 |

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